

AMENDED IN SENATE JUNE 21, 2011

AMENDED IN ASSEMBLY MAY 27, 2011

AMENDED IN ASSEMBLY MAY 4, 2011

AMENDED IN ASSEMBLY APRIL 11, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1229

Introduced by Assembly Member Feuer

February 18, 2011

An act to amend ~~Section 14553.4~~ *Sections 14552.2, 14553, and 14553.7* of the Government Code, relating to transportation financing, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1229, as amended, Feuer. Transportation: financing: federal highway grant anticipation notes.

Existing law continuously appropriates the amounts specified in the annual Budget Act as having been deposited in the State Highway Account from federal transportation funds, and pledged by the California Transportation Commission, to the Treasurer for the purposes of issuing federal highway grant anticipation notes, commonly known as GARVEE bonds, to fund transportation projects selected by the commission. *Existing law defines an “eligible project” for these purposes as the federally funded portion of a highway or other transportation project that has been designated for accelerated construction by the commission, and increases the capacity, reduces the travel time, or provides long-life rehabilitation of the key bridges and roadways of a corridor or gateway for interregional travel and movement of goods.* Existing law prohibits

the Treasurer from authorizing the issuance of the notes if the annual repayment obligations of all outstanding notes in any fiscal year would exceed 15% of the total amount of federal transportation funds deposited in the account for any consecutive 12-month period within the preceding 24 months.

~~This bill would, subject to the approval of the commission and after notification to the Department of Transportation and the Treasurer, authorize a transportation planning agency, for purposes of funding transportation projects from notes secured by federal transportation funds, to commit up to 50% of its share of apportionments of specified federal transportation funds that are apportioned to transportation planning agencies. provide that an “eligible project” may include projects programmed by a regional transportation planning agency using its share of apportionments of federal regional surface transportation program funds or congestion mitigation and air quality funds, as specified. The bill would authorize no more than 50% of bonding capacity of GARVEE bonds from being made available for these projects and would require the commission to require a regional transportation planning agency to commit to repaying the state for debt service if that agency’s share of federal regional surface transportation program funds or federal congestion mitigation and air quality funds is insufficient to repay the GARVEE bonds or if a portion of the project costs is ineligible for federal funding. The bill would, for such a repayment by a regional transportation planning agency, authorize the commission to amend into the State Transportation Improvement Program some or all of the funds necessary for the repayment to be counted against the county share of State Transportation Improvement Program funds for the county in which the project is located. By expanding the types of projects for which GARVEE bonds may be used, the bill would make an appropriation.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14552.2 of the Government Code is
- 2 amended to read:
- 3 14552.2. (a) “Eligible project” means the federally funded
- 4 portion of any highway or other transportation project that has
- 5 been designated for accelerated construction by the commission,

1 and increases the capacity, reduces the travel time, or provides
2 long-life rehabilitation of the key bridges and roadways of a
3 corridor or gateway for interregional travel and movement of
4 goods.

5 (b) An eligible project that meets the conditions of subdivision
6 (a) may include, but is not limited to, any of the following projects:

7 (1) Toll bridge seismic retrofit projects.

8 (2) Projects approved for funding under the Traffic Congestion
9 Relief Act of 2000 (Chapter 4.5 (commencing with Section
10 14556)).

11 (3) Projects programmed under the current adopted State
12 Transportation Improvement Program or the current State Highway
13 Operation and Protection Program.

14 (4) *Projects programmed by a regional transportation planning*
15 *agency using its share of apportionments of federal regional*
16 *surface transportation program funds or federal congestion*
17 *mitigation and air quality funds pursuant to Sections 182.6 and*
18 *182.7 of the Streets and Highways Code.*

19 SEC. 2. Section 14553 of the Government Code is amended to
20 read:

21 14553. (a) The commission may from time to time select and
22 designate eligible projects to be funded from the proceeds of notes,
23 if financing of the project from the proceeds of notes has been
24 approved by the Federal Highway Administration and the regional
25 transportation planning agency, and the project has completed
26 environmental clearance and project design.

27 (b) Notwithstanding Section 7550.5 of the Government Code,
28 on or before April 1 of each year, the commission, in conjunction
29 with the Treasurer's office, shall prepare an annual analysis of the
30 bonding capacity of federal transportation funds deposited in the
31 State Highway Account in the State Transportation Fund.

32 (c) *No more than 50 percent of bonding capacity shall be*
33 *available for eligible projects programmed using federal regional*
34 *surface transportation program funds and federal congestion*
35 *mitigation and air quality funds.*

36 SEC. 3. Section 14553.7 of the Government Code is amended
37 to read:

38 14553.7. (a) In order to provide security for repayment of the
39 notes, the commission shall adopt a resolution dedicating and
40 pledging any future receipts of federal transportation funds received

1 by the state to the payment of principal of, and interest and
2 premium on the notes, for as long as any notes remain outstanding.
3 That action shall constitute a pledge or receipt of those moneys as
4 collateral within the meaning of subdivision (b) of Section 5450.
5 The pledge shall be governed under Chapter 5.5 (commencing
6 with Section 5450) of Division 6 of Title 1 of the Government
7 Code. The commission shall be deemed a “public body” for
8 purposes of Section 5451, as defined in Section 5450.

9 *(b) If a project eligible under paragraph (4) of subdivision (b)*
10 *of Section 14552.2 is funded from the proceeds of notes, the*
11 *commission shall require the regional transportation planning*
12 *agency to commit to repaying the state for debt service if that*
13 *agency’s share of federal regional surface transportation program*
14 *funds or federal congestion mitigation and air quality funds is*
15 *insufficient to repay the note or if a portion of the project costs*
16 *are ineligible for federal funding. As part of the repayment, the*
17 *commission may amend into the State Transportation Improvement*
18 *Program some or all of the funds necessary for the repayment to*
19 *be counted against the county share for the county in which the*
20 *project is located.*

21 ~~SECTION 1. Section 14553.4 of the Government Code is~~
22 ~~amended to read:~~

23 ~~14553.4. (a) The Treasurer may not authorize the issuance of~~
24 ~~notes if the annual repayment obligations of all outstanding notes~~
25 ~~in any fiscal year would exceed 15 percent of the total amount of~~
26 ~~federal transportation funds deposited in the State Highway~~
27 ~~Account in the State Transportation Fund for any consecutive~~
28 ~~12-month period within the preceding 24 months.~~

29 ~~(b) Consistent with the limitation in subdivision (a) and subject~~
30 ~~to the approval of the commission, after notice to the department~~
31 ~~and the Treasurer, a transportation planning agency, for purposes~~
32 ~~of funding projects from notes secured by federal transportation~~
33 ~~funds, may commit up to 50 percent of its share of apportionments~~
34 ~~of federal regional surface transportation program funds and federal~~
35 ~~congestion mitigation and air quality funds that flow through the~~
36 ~~State Highway Account for use by transportation planning agencies~~
37 ~~pursuant to Sections 182.6 and 182.7 of the Streets and Highways~~
38 ~~Code.~~

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